

ABSTRACT

A system and method are disclosed for providing warranties that financially guarantee one or more facts associated with an electronic transaction. In a preferred embodiment, warranties issued in the present system comprise a contract between a first party and a second party in which the first party: (1) warrants one or more warranted facts (2) for damages up to a warranted amount (3) if claimed by a relying customer within a claim period. The warranty is preferably issued by a participant in response to a request received from a customer that specifies a desired warranted amount and claim period. The participant and root entity evaluate the request in light of a plurality of factors and determine whether or not the warranty should be issued. In a preferred embodiment, the warranty comprises a contract between the buyer and its issuing participant. The seller is preferably a third-party beneficiary of this contract.

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